

563 who estimate their numbers considerably higher than does the official
162 census, lived for the most part near the East Prussian frontier, where they settled as small peasants and artisans in the last century. Small Polish and Lettish minorities inhabited the districts bordering on
565 their respective countries of origin. The bulk of the Lithuanians themselves belonged to the peasant and farmer class. There were, however, fairly large bourgeois, clerical, and intellectual classes; the nobility, in so far as it still existed, resided for the most part in Poland, and was in fact almost entirely Polish.

563 The legal status of the minorities was regulated by Articles 73 and
● **656** 74 of the Constitution of December 1922, which provided that
642 national minorities, forming 'an appreciable part of the citizens', might administer autonomously the affairs of their national culture and elect the necessary bodies to conduct these affairs in the manner prescribed by law. They might also impose taxes on their members for the needs of national culture, and might avail themselves of a proportion of the sums set aside by the State and the local government bodies for purposes of education and charity, in so far as their needs were not satisfied by the general establishments maintained by those bodies.¹

563 In accordance with the requirements of the League of Nations, on
671 May 12, 1922, shortly after her admission to that body, Lithuania made a Declaration modelled on the Polish Minority Treaty of June 28, 1919. This guaranteed to Lithuanian nationals who belonged to racial, religious, or linguistic minorities the same treatment in law and in fact enjoyed by other nationals, as well as the right to maintain and control at their own expense charitable, religious, and social institutions, schools, and other educational establishments, and to use their own language and practise their own religion therein.² Provision was to be made, in towns where there was a considerable proportion of Lithuanian nationals belonging to linguistic minorities, for the instruction of children in the State primary schools in their own

¹ These rights and privileges were confirmed by Section VII of the Constitution of May 25, 1928.

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TABLE 2. Minorities and Education in Lithuania.

Type of school	Year	Total no. of schools	Lithuanian	Jewish	Russian	German	Polish	Latvian	White Russian	Diverse
Primary	1928-9	2,431	2,185	135	15	18	30	8	..	40
"	1935-6	2,308	2,147	100	3	10	11	13	..	15
Secondary	1928-9	122	83	20	2	3	3	1	..	1
"	1935-6	107	74	24	1	3	3	1	..	1
		students								
University	1928-9	3,812	2,555	1,070	47	30	85	10	7	8
"	1935-6	3,223	2,555	486	40	30	84		13	6

652 extraordinary expenditure ceased, and in all three countries it became possible to develop systems of public finance on a more orthodox basis. Only in Estonia was it necessary to obtain a foreign loan for this purpose. As a result of the scarcity of capital, the State was often compelled to take over, during the early days, the administration of enterprises which elsewhere would have been left to private initiative. In Latvia, for example, the State took over the entire foreign trade of the country for a period. Most of these extraordinary measures were dropped when more normal conditions returned, though it is hardly surprising that the railways remained in the hands of the State in practically every case.

From about 1925 onwards there was a fairly steady increase in expenditure up to 1928 or 1929. This was largely due to the comparative prosperity of these years, which made it easier to collect the necessary taxation. State expenditure reached a relatively high level in Estonia and Latvia, where the figure per head of the population in 1928-9 (ordinary and extraordinary expenditure) was respectively about 114 and 107¹ Swiss francs. State expenditure in Lithuania was on a considerably lower scale, and the corresponding per head figure in the budget year 1929 was about 59¹ Swiss francs, though Lithuania is exceptional in that expenditure did not reach its peak until 1931. Unfortunately, owing to differences in budgetary systems, it is not possible to attempt a detailed comparative analysis of the various items of expenditure. The largest single item is usually communications, for, apart from the current expenses of running the railways, there were in most cases many repairs arising out of the War which had to be undertaken. Defence usually accounted for about 15 to 20 per cent. of the total. The really striking feature of public expenditure in these years is the comparatively low cost of the debt service, in spite of the funding of debts arising out of the War.² In Latvia and Lithuania interest and amortization usually amounted to less than 2 per cent. of the total ordinary and extraordinary expenditure. Owing to the cost of the League Loan, the figure in Estonia was somewhat higher, though it continued to be under 5 per cent. of the total until 1930-1. The importance of these figures can be seen from the fact that in some of the Balkan States the service of the external debt alone usually accounted for about 20 per cent. or, occasionally even more, of the total annual expenditure by the end of this period.

Expenditure was to a very large extent covered out of revenue, at any rate during the latter half of this period, and in very few instances were there deficits. Where there were deficits they gener-

¹ These figures may be compared with 60.5 Swiss francs for Rumania in 1928-9.

² For details, see p. 135 above.